

# INFORMATION LETTER

## NATIONAL CANNERS ASSOCIATION

Not for  
Publication

For Members  
Only

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### Kraut Tin Allotment

The War Production Board has informed the Association that additional tin allotment will be made to sauerkraut canners prior to February 1, 1946, in cases where the tin is needed to pack kraut in order to keep surplus cabbage from spoiling. Tin quotas for kraut packers are presently 70 percent of the base period. However, WPB is willing to grant as much as an additional 30 percent to kraut packers in areas where the tin is actually needed to conserve cabbage. Kraut canners are urged to communicate with WPB in all instances where additional tin actually is needed.

### SUPPLEMENT 13 QUESTIONS

#### OPA Attorneys Issue Clarifying Set of Questions and Answers

The Office of Price Administration has prepared another set of questions and answers intended to clarify certain provisions of Supplement 13 to Food Products Regulation No. 1.

These are official interpretations issued by the lawyers of the OPA Fruits and Vegetables Section for the use of regional OPA offices, but have been made available to the Association for publication in the INFORMATION LETTER. The series of questions and answers follows:

1. **Question:** If a processor made sales during the applicable base period of an item covered by Section 6 of Supplement 13 and did not sell the particular item in 1944 or any other year intervening between 1941 and 1945, but did sell other items of the same product during each of those years, does he figure his maximum price under the general pricing method of Section 6?

**Answer:** Yes. The question is whether the processor can be said to have been "in business" during the intervening years, with maximum prices for the item under MPR's 185, 233, 152, 493 and Supplement 7 upon which he can now construct 1945 maximum prices under Supplement 13. It is generally true that a seller does not have a maximum price for an item (See Supplement 13, page 8821)

### Pre-War Type of Convention Planned for Atlantic City

A majority of canners have indicated their preference for a return to the type of annual convention that was held during pre-war years. Accordingly, the Association, in selecting a convention city, sought a location that was best equipped with available hotel space to provide an adequate number of assembly rooms, conference rooms and bedrooms.

During the war years, when processors' conferences were being held, the meetings were exclusively gatherings of processors, brought together at government invitation, and these invitations did not include brokers, distributors and supplymen. These processors' meetings dealt with industry operations under government control.

In planning the 1946 convention, to meet this present emphasis of canners on production, sales, and reestablishment of civilian operations, the pattern followed was to find a location that would house canners, brokers, distributors and supplymen, as convenient to one another as possible, providing facilities not only for the official programs of the National Canners Association, National Food Brokers Association, National-American Wholesale Grocers Association and Canning Machinery and Supplies Association, but for personal contact between individuals of these respective groups. Chicago, home of the annual convention for 17 consecutive years, was thoroughly investigated, as were other cities. Neither Chicago, nor any other commercial city, was able to provide such facilities this year.

Atlantic City came closer than any other location to meeting the requirements imposed by a simultaneous gathering of the four allied associations. For that matter, no convention city will be able to supply accommodations that exactly match those to which the industry was accustomed at their annual conventions before the war.

Many of the principal hotels in Atlantic City have been occupied by the Army, and some of these have not yet been turned back. However, the present hotel reconversion program there is scheduled for completion before the week of February 3, 1946—the convention date designated by President Fred A. Stare and announced in last week's INFORMATION LETTER. Details are being worked out regarding use of the various hotels for the respective associations, but these will not be available before November 15. As soon as this information is available, the Association will advise members as to the specific hotels at which canners can be located, room rates, etc., so that they can advise as to their requirements.

## OPA POLICIES RETARDING RECONVERSION IS CHARGE OF HOUSE COMMITTEE INVESTIGATING EXECUTIVE AGENCIES

### Report States Pricing Methods Have Decreased Employment and Reduced Production

Rigid pricing policies are retarding reconversion, according to a report to Congress made October 22 by the House Select Committee to Investigate Executive Agencies. The Committee makes certain recommendations to bring OPA's policies in line with the changed conditions brought about by termination of hostilities, and states that OPA methods have caused reduced production, lowered opportunity for employment, and could jeopardize the nation's economy.

The report asserts that unless price control regulations are rewritten, with account taken of manufacturers' costs, industry will not reconvert to low-priced items that are now in short supply. It recommends a simplified system so that new controls are uniformly interpreted throughout the country, suspension of controls where supply and demand are now balanced, and adjustment of retail prices to reflect any dollar mark-up allowed to manufacturers, and a review of the maximum price regulation with a view to revoking or modifying it.

The Committee is headed by Representative Howard W. Smith of Virginia and its other members are John J. Delaney, New York; Hugh Peterson, Georgia; Jerry Voorhis, California; Fred A. Hartley, Jr., New Jersey; John Jennings, Jr., Tennessee; and Clare E. Hoffman, Michigan. The following recommendations are quoted from its official report:

(1) Formulate and immediately place into effect a policy which will permit commodities to be priced by their producers at levels which in the light of accepted standards of accounting will reflect current costs of production plus a normal prewar margin of profit.

(2) That the policy be formulated and administered in such manner that prices so computed may be suitably reported to regional or district offices of the OPA throughout the Nation, on simplified forms affording no opportunity for the rise of divergent interpretations.

(3) That such prices shall be thereafter effective unless such district or regional office within a specified time of their receipt gives notice of patent or latent deficiencies in the computations so reported, in which event such producer shall thereupon be given an opportunity to meet the requirements and objections of the district or regional office. In the absence of notice by such OPA district or regional office within the specified period of time,

and in the absence of fraud on the part of any individual reporting, the price so reported shall be thereafter effective.

(4) That prices at retail be adjusted so as to reflect any dollar increase allowed to manufacturers, except where the mark-up on the particular item is already sufficient to reflect a normal profit.

(5) That except where monopolistic control of supply exists price control be suspended on any commodity whenever it appears that the elements of the supply and the demand of such commodity are in a relative state of balance and may be reasonably expected to remain so, or when it appears that the supply exceeds the demand for such commodities. Toward this end producers of commodities shall be afforded an opportunity to demonstrate that such supply and demand have come into a relative state and that no monopolistic control over the supply exists.

(6) That the Price Administrator concentrate the activity of all members of his staff toward the accomplishment of the objectives of the foregoing policy.

(7) That the Price Administrator review his policy enunciated in the Maximum Average Price Regulation with a view to revoking or modifying it. Industry has complained so unanimously and bitterly of the effects of this regulation on the reconversion program and on the effort to produce low-cost goods, that your committee is apprehensive that this policy is a definite deterrent to the all-important program of reconversion.

### Senate Passes House-approved Tax Bill with Some Amendments

On October 24 the Senate amended the House-approved tax reduction bill in important respects to provide additional tax relief and sent the bill to conference. Both the House and Senate versions provide tax reductions for individuals, special tax relief for small corporations, elimination of the capital-stock and declared value excess profits taxes, and tax relief for all corporations by changes in the excess profits tax. Both bills propose to freeze the social security tax at 1 percent for an additional year. Important differences, however, exist in the House and Senate proposals.

Final action approving the bill as agreed upon in conference is expected by the middle of the coming week. A detailed summary of the tax reduction bill will appear in the INFORMATION LETTER as soon as final action by Congress is taken. Some of the highlights of the House and Senate action are summarized below.

One of the main differences between the House and Senate bills is in treatment of excess profits taxes. The House, in general, proposes to reduce the excess profits tax for the year beginning January 1, 1946, to 60 percent and to repeal the excess profits tax beginning on January 1, 1947. The Senate, on the other hand, proposes to repeal the excess profits tax entirely beginning January 1, 1946. Both bills would provide a prorating feature to cover fiscal year taxpayers.

The House and Senate also differ in reduction of tax relief for corporations with respect to surtax. The House would simply reduce surtax for all corporations (with some special exceptions) by 4 percent, while the Senate, in general, would give relief with respect to surtaxes by granting special relief for corporations having net income under \$60,000 a year, and would leave the present generally applicable rate of 16 percent unchanged for corporations having net income over \$60,000.

Other tax relief provisions in the bills affect the capital stock tax; the declared value excess profits tax; excise taxes and veterans' taxes.

### Bill Provides Tax Deductions for Waste Disposal Facilities

H.R. 3972, which provides that the cost of plants for treatment of industrial wastes may be used as a deduction in computing net income, has not yet been acted upon by the House Ways and Means Committee to which it was referred on September 10.

It is pointed out that if this bill is enacted into the law it would act as a great stimulus for canners to install waste treatment plants. During the next few years pressure is expected to be brought to bear upon all industry, including canners, to provide for improved treatment of industrial wastes. Text of the bill follows:

To encourage the prevention of stream pollution by allowing amounts paid for plants for the treatment of industrial waste as a deduction in computing net income.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that Section 23 of the Internal Revenue Code (relating to deductions allowed in computing net income) is amended by inserting at the end thereof a new subsection reading as follows:

"(bb) Cost of Plants for Treatment of Industrial Waste.—In the case of a taxpayer discharging (either directly or through public sewage systems) industrial waste into rivers or streams in

the United States, amounts paid during the taxable year for the construction of facilities (approved by the applicable State or interstate authority having jurisdiction with respect to stream pollution) for the treatment of such waste, including amounts paid for plans for such construction and treatment."

**Sec. 2.** The amendment made by this Act shall be applicable only with respect to taxable years beginning after December 31, 1945, and before January 1, 1952.

### Some Canned Food Ceilings Are Removed by OPA Action

Fifty-two miscellaneous food commodities are being exempted from price control, ceilings are being suspended for a 90-day period on three other commodities, and suspended indefinitely on a fourth, effective October 31, the Office of Price Administration has announced. The action was effected through the issuance of Amendment 5 to Supplementary Order 132.

The items on which ceiling prices are being suspended for a 90-day period include canned carrots, including canned carrot juice, and fresh, frozen and canned crabmeat. (Canned carrots does not include chopped or strained carrots sold as "baby foods" or "junior foods.")

The items exempted from price control are: All canned or processed fish bait used for sport fishing, imported and domestic canned abalone, oysters, clams, and fish roe, frozen uncooked lobsters, and salted lake herring and canned lime juice.

### Fisheries Reference Book Issued

Senate Document No. 51, "Fishery Resources of the United States," has just been published and made available to the public by the United States Congress. Congress has long felt the need for a condensed, readable book that would serve as a basic reference on the fisheries and fishery industries of the United States, and at its request, the Fish and Wildlife Service of the Department of the Interior has prepared an attractive illustrated book of 135 pages that will appeal to everyone.

Each page tells a living story in words and pictures of an important phase of the Nation's fisheries. The book will be of interest to fishermen, processors, dealers, anglers, and the general public. It is particularly suited for use in the public schools in connection with courses in biology, geography, and civics.

Copies may be purchased at 40 cents each from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

### HOUSE COMMITTEE HOLDS HEARING ON FARM LABOR BILL

#### Measure Would Provide \$14,000,000 to Import Agricultural Labor

Hearings were held by the House Appropriations Committee Wednesday on the provisions of the Second Deficiency Appropriation which would provide \$14,000,000 to the U. S. Department of Agriculture for the supply and distribution of farm labor.

President Truman previously had transmitted to Congress on October 18, with his concurrence, supplemental estimates by the Bureau of the Budget requesting funds for the farm labor program. The President's request would provide:

"Supply and distribution of farm labor: The authority and funds provided by the Farm Labor Supply Appropriation Act, 1944, as amended and supplemented, are hereby continued through December 31, 1946, to assist in providing an adequate supply of agricultural labor for the production, harvesting, and preparation for markets of agricultural commodities essential to the orderly transition from war to peace and for carrying out the other purposes of said act, and in addition to the amount hereby continued available, there is hereby appropriated the sum of \$14,000,000 for such purposes, to be merged with the funds hereby continued available. Not less than \$5,000,000 of such additional funds shall be apportioned among the several States in the manner and for the purposes specified in section 2 of said act, and of the amount so apportioned, not more than \$100,000 may be expended by the State agricultural extension services for the construction of labor supply centers under the limitations of said section 2.

2. In addition to the amounts heretofore made available for administrative expenses pursuant to section 3(c) of said act, there is hereby made available out of said funds, the sum of \$562,023 for such purposes. Whenever labor shall be furnished hereunder to any other agency, public or private, or individual, the Secretary may make such charges for furnishing such labor as he may determine to be practicable and the receipts derived therefrom shall be credited to the funds hereby appropriated and be available for expenditure for the purposes of said act. Agricultural workers may be admitted into the United States to perform agricultural labor in accordance with the provisions of section 5(g) of said act during the continuance of this program, notwithstanding any official determination of cessation of hostilities in the present war."

In its comment as to the need of the funds, the Bureau of the Budget stated:

"Because the farm-labor-supply situation continues critical, and experience indicates that a year or more will be required before displaced war workers

and demobilized servicemen become an effective part of the farm labor force, it is believed that the farm-labor-supply program inaugurated by the act of April 29, 1943 (Public Law 45, 78th Cong.) should be continued during the calendar year 1946. The foregoing estimate is intended to accomplish that purpose.

"In order that the relatively few employers of labor furnished from Government-operated labor camps may pay a share of the costs of recruiting, transporting, and placing laborers through such centers, the language of the estimate provides that a charge may be made for the furnishing of such labor, and the receipts derived therefrom credited to the appropriated funds and be made available for the purposes of the program."

### CONGRESS SUMMARY

A reduction in taxes in 1945 was assured this week when the Senate adopted the House-approved tax reduction bill with some amendments. (See story on page 8816.) The House Committee on Appropriations held a hearing Wednesday on a deficiency appropriation for the Department of Agriculture which would provide \$14,000,000 this year for a farm labor program while two other House committees held hearings during the week on other labor programs. The House Labor Committee and the House Committee on Expenditures and Executive Departments continued their respective hearings on the Fair Labor Standards Act and the Full Employment Bill. Other legislation of interest to canners is summarized below and elsewhere on this and the preceding page.

Hearings before the Senate Committee on Agriculture over the proposals to include farm labor costs in determining parity prices for farm products will begin November 8. Although a bill which would provide that farm labor costs be included in the parity formula has been passed by the House twice during the past year, there still is some doubt as to whether this type of legislation will receive Senate approval. Opposition to the proposed measure is based on the fact that the inclusion of farm labor costs in the present parity formula likely would necessitate an upward adjustment in agricultural commodity prices from 30 to 40 percent.

A curtailment of price controls has been recommended in a resolution (H. Res. 380) introduced by Representative Hartley of New Jersey for the House Select Committee to Investigate Executive Agencies.

## CANNER IS SUCCESSFUL IN CONTESTING FOOD CLAIM

### Testimony in \$37,500 Suit Discloses Wholeness of Canned Seafood in Question

A verdict in favor of the defendant—a chain store—was recently returned at New Haven, Conn., in a suit for \$37,500 damages, alleged to have resulted from poisoning caused by canned seafood. The trial lasted three days and was bitterly contested. Although the suit had been brought against a chain store, the canner of the product had agreed to assume liability if any was found. Dr. E. J. Cameron, Director of the Association's Research Laboratory, and Forrest Heaton of the N. C. A. staff assisted at the trial.

There were nine plaintiffs in the case, including four children. The oldest child, a 14-year old girl, testified along with the adult plaintiffs, while three, who were too young to take the witness stand, were brought into court and introduced to the jury for such beneficial effect as it might have. The plaintiffs not only presented a good appearance, but were aided by the testimony of the attending physician who put the blame on the canned seafood. His testimony was shown to be scientifically inaccurate but might have been accepted as correct by the lay jury.

There also was strong circumstantial evidence against the product. The seafood had been made into a salad; two other salads were served at the suspected meal, of which 11 persons partook. The other two salads were alleged to have contained certain ingredients which also were ingredients of the seafood salad. Of the 11 persons served, two did not eat the seafood salad, but allegedly ate the other foods, and were not affected, it was testified. The remaining nine, who ate all foods, including the salad suspected, claimed to have suffered a violent and prolonged reaction, requiring some hospitalization. Substantial expenses were said to have been incurred.

The attending physician admitted that an analysis of the seafood salad, made by the State Health Department, was negative for food poisoning bacteria but testified that the examination did not rule out a toxin. His theory was that bacteria in the raw product had produced a toxin prior to the processing of the food, and that the process could not have destroyed the toxin.

The defense offered packing testimony consisting of a deposition of the plant superintendent, expert medical testimony by a well known physician in New Haven, and expert bacteriological testimony by Dr. Cameron. These de-

fense experts refuted the testimony of the plaintiffs' doctor, brought out that the canning process as described in the deposition was more than sufficient to destroy any toxin which might have been present in the food prior to processing, and both expressed their opinion that the food product was wholesome and unrelated to the alleged illnesses.

The jury considered the case for about an hour and then brought in the favorable verdict for the defendant. The outcome is considered to demonstrate that the defense testimony was impressive and understandable. Had the jury not believed it, substantial verdicts for the claimants doubtless would have been returned.

Attorneys for the defense were the Association's counsel in Hartford, Conn.

## SANITATION CONFERENCE

### Sanborn on Program That Draws Large Out-of-State Attendance

The plant sanitation conference for Canning Factory Operations, held at Michigan State College October 18 and 19, attracted wide interest. Among those who attended from out-of-State were Dr. E. Hess, Halifax, Nova Scotia, a government official interested in sanitation in fisheries; two representatives of Fine Foods of Canada, Ltd.; Arthur Nash, Secretary of the Association of New York State Canners, Inc.; Secretary Marvin Verhulst of the Wisconsin Canners Association and his sanitarian, Harry Thompson; V. S. Troy, Continental Can Company; Dr. E. L. Overhoiser and Prof. A. H. Teske, Virginia Agricultural Experiment Station; Dr. G. J. Hucker, New York State Agricultural Experiment Station; S. H. Champlin, Heekin Can Company; K. F. Lang, H. J. Heinz Company; Dr. E. C. Ritchell, Minnesota Valley Canning Company, and Messrs. McNeilly and Wagner of Libby, McNeill & Libby and Campbell Soup Company, respectively.

The meeting was opened by Dr. N. H. Sanborn, of the National Canners Association, who gave a presentation of the reasons for the renewed interest in sanitation and a discussion of canning plant sanitation problems as revealed by NCA surveys. Following this a panel discussion on cleaning canning factory equipment was held under the leadership of Ray Wakefield, of Gerber Products Company, W. F. Robinson, of Michigan State College Department of Horticulture, and Dr. Sanborn.

Dr. Ray Hutson, Department of Entomology, Michigan State College, spoke

on insect control in canning factories. Samples of the various forms of DDT were exhibited and the use of the aerosol DDT bomb demonstrated.

Dr. M. D. Pirnie, Director of the W. K. Kellogg Bird Sanctuary, discussed rodent control and presented practical information on setting and baiting traps, illustrating his talk with lantern slides.

Dr. G. M. Trout, Department of Dairy, Michigan State College, gave a worthwhile talk on good housekeeping. Ventilation and prevention of condensation in canning plants were discussed by Dr. L. G. Miller, Department of Mechanical Engineering, Michigan State College. Dr. F. W. Fabian, Department of Bacteriology, Michigan State College, spoke on methods of slime control. Mr. D. C. Meese, of the Michigan State Department of Health, talked on the subject of what their Department could do to assist canners with their sanitation problems. Dr. Sanborn also discussed canning factory wastes and methods of disposal.

A great deal of the credit for the success of the meeting is due to the excellent organization of the meetings by Michigan State College under the direction of Prof. Roy E. Marshall, of the Department of Horticulture. Chester Ray, New Era Canning Company, presided as chairman of the meeting. The Michigan Canners Association provided an open-house meeting room at the Olds Hotel for an informal evening session.

## New Florida Officers Named

The Florida Canners Association elected the following officers at its 14th annual convention, held last week in Daytona Beach: President, C. Rouss May, The Hills Brothers Company, Bartow; first vice-president, C. C. Street, Wm. P. McDonald Corporation, Auburndale; second vice-president, L. L. Recker, Adams Packing Cooperative, Auburndale; treasurer, R. D. Robinson, Dr. P. Phillips Co., Orlando; executive secretary, C. C. Rathbun, Tampa (re-elected).

## Canned Fish Points Unchanged

Ration point values for the one remaining canned meat and all canned fish still being rationed by the Office of Price Administration will remain unchanged during the November ration period. Ration point values for these items in points per pound are: Ham (whole or piece), 10; bonito, 6; mackerel, 4; oysters, 2; salmon, 6; sardines, 4; shrimp, 6; tuna, 6; yellow tail, 6; and all other products containing 20 percent or more of the foregoing fish, 2.

### Forthcoming Meetings

October 30-31—American Meat Institute, 40th Annual Meeting, Hotel Stevens, Chicago.

November 5-6—Michigan Canners Association, Annual Fall Meeting, Pantlind Hotel, Grand Rapids.

November 7-9—Grocery Manufacturers of America, Annual Meeting, Waldorf-Astoria Hotel, New York.

November 12-13—Wisconsin Canners Association, Annual Meeting, Schroeder Hotel, Milwaukee.

November 15-16—N. C. A. Canned Fish and Sea Food Committee, meeting, Association Headquarters, Washington, D. C.

November 15-16—Indiana Canners Association, Annual Convention, Claypool Hotel, Indianapolis.

November 16—Ozark Canners Association, Inc., Fall Meeting, Colonial Hotel, Springfield, Mo.

November 18—Administrative Council and Planning Committee of the National Canners Association, Hotel Shoreham, Washington, D. C.

November 19-20—Board of Directors, National Canners Association, Hotel Shoreham, Washington, D. C.

November 26-27—Packaging Institute, Annual Meeting, Hotel Commodore, New York, N. Y.

November 29-30—Pennsylvania Canners Association, Annual Convention, Yorktowne Hotel, York.

December 6-7—Iowa-Nebraska Canners Association, 44th Annual Convention, Hotel Fort Des Moines, Des Moines, Iowa.

December 7-8—Tri-State Packers' Association, Annual Convention, Lord Baltimore Hotel, Baltimore, Md.

December 10—Maine Canners Association, Annual Meeting, Eastland Hotel, Portland.

December 13—Minnesota Canners Association, Annual Meeting, St. Paul Hotel, St. Paul.

December 13-14—Association of New York State Canners, Inc., 60th Annual Meeting, Hotel Statler, Buffalo.

December 19-20—Ohio Canners Association, Annual Meeting, Deshler-Wallick Hotel, Columbus.

February 3-8—National Canners Association, Annual Convention, Atlantic City, N. J., hotel to be announced.

February 3-8—National Food Brokers Association, Annual Convention, Atlantic City, N. J., hotel to be announced.

February 3-8—Canning Machinery & Supplies Association, Annual Convention, Atlantic City, N. J., hotel to be announced.

February 3-8—National American Wholesale Grocers Association, Annual Convention, Atlantic City, N. J., hotel to be announced.

### 1945 Canned Pea Pack Over 8 Million Cases Larger Than 1944

The total pack of canned green peas in 1945 amounted to 38,145,388 cases of all sizes, as compared with the 1944 pack of 30,130,884 cases, according to the Association's Division of Statistics. The 1945 pack, basis of standard cases

of 24/2's, was 39,649,000 as compared with 31,524,000 cases in 1944.

The following table, which compares the 1945 canned pea pack with that of last year by States and varieties, is based on actual reports received from all canners who packed peas in 1945:

States	1944		1945	
	Alaskas Cases	Sweets Cases	Alaskas Cases	Sweets Cases
New York and Maine.....	30,820	2,483,077	20,895	2,121,925
MIDDLE ATLANTIC				
Maryland.....	1,036,667	225,702	1,323,876	417,384
Delaware and New Jersey.....	375,948	63,157	157,150	257,860
Pennsylvania.....	244,934	574,856	381,369	721,219
Other States.....	83,041	38,456	35,111	33,304
MIDWEST				
Ohio.....	280,383	108,294	426,951	161,043
Indiana.....	312,012	19,457	694,007	45,455
Illinois.....	247,569	740,082	568,260	1,826,900
Michigan.....	242,326	351,886	169,002	354,412
Wisconsin.....	6,504,657	4,835,379	7,084,043	8,346,154
Minnesota.....	402,156	1,033,381	935,346	2,497,908
Other States.....	329,535	111,333	439,937	294,398
WEST				
Montana and Wyoming.....		318,375		414,467
Idaho and Utah.....	18,904	2,437,802	27,730	2,352,163
Washington and Oregon.....	861,712	5,209,524	738,983	4,756,676
Other States.....	87,351	522,128	50,299	494,442
Total.....	11,058,015	19,072,819	13,051,559	25,003,829

### ICC Issues New Restrictions on Use of Refrigerator Cars

The Association has been advised that the following changes have been made by the Interstate Commerce Commission regarding the use of refrigerator cars for the shipment of canned foods:

Pursuant to ICC Service Order No. 95, as amended, *it is ordered*, that effective 12:01 a. m., October 28, 1945, Taylor's ICC Order No. 418 is amended and corrected to read as follows:

(a) On and after 12:01 a. m., October 28, 1945, and continuing until 11:59 p. m., March 14, 1946, no common carrier by railroad, subject to the Interstate Commerce Act, shall furnish or supply a standard or giant RS type refrigerator car for the loading of, or transport, or move a standard or giant RS type refrigerator car or cars loaded with canned or preserved foodstuffs (not cold pack), bottled beer or other bottled malt liquors, or bottled wine within or between points in the States of Alabama, Arizona, Arkansas, California, Florida, Georgia, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee and Texas, without a permit from ICC Agent C. W. Taylor.

(b) *It is further ordered*, that diversion orders shall not be accepted on a standard or giant RS type refrigerator car or cars loaded with canned or preserved foodstuffs (not cold pack), bottled beer or other bottled malt liquors, or bottled wine originally billed or shipped from the States of Alabama, Arizona, Arkansas, California, Florida,

Georgia, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee and Texas to States other than those named for diversion to destinations within the restricted States.

(c) *It is further ordered*, that this order shall not prevent the furnishing of PFE or SFRD refrigerator cars for loading under provisions of Service Order 104.

Canned goods as used herein means canned or preserved foodstuffs (not cold pack) and other articles as described in Items No. 18145 to 18948 inclusive in the Consolidated Freight Classification No. 16.

### USDA Makes Additional Sugar Possible with Reprocessors Aid

The U. S. Department of Agriculture announced this week that the final overrun of refined sugar from the 1945 beet crop was expected to be increased by 17,000 to 20,000 tons over prior estimates due to a transportation aid program financed through the Commodity Credit Corporation. The additional sugar is to be reclaimed from beet molasses by reprocessing, by what the trade terms "Steffens Houses"—special molasses processors.

It is estimated that about 50,000 tons of 1945 crop straight run beet molasses will be held at points somewhat distant from "Steffens Houses," and could not be profitably shipped to these processors without government transportation aid.

### Farm Employment Is Reduced; Wage Rates Almost Unchanged

Farm employment on October 1 was 7 percent lower than a year ago, the United States Department of Agriculture reported this week. Employment throughout the country totaled 11,052,000 persons on October 1 this year, compared with 11,839,000 a year earlier. Employment was up 1 percent, less than the usual season increase, from September 1.

Wage rates were 345 percent of the 1910-14 average on October 1 compared with the record 351 percent on July 1. Farm wage rates on October 1, 1945, for individual States, were generally the same or higher than on July 1 but the average for the entire country was lower. A larger proportion of hired workers are employed in the South in the fall than in the summer. Consequently, the greater weight given this relatively low wage area on October 1 reduced the United States average. Rates were slightly higher than in the previous quarter in all regions except the Middle Atlantic and the South Atlantic. Farm wage rates this year on October 1 were about 10 percent above those a year earlier. The wage rate indexes by regions were, in general, up from 20 to 30 points, except for the East South Central Region, where only a 7 point rise occurred.

### Tomato Fertilizer Placement

Various methods of application were compared at the Maryland Agricultural Experiment Station with the common practice of drilling fertilizer before planting. The standard treatment was 1,000 pounds per acre of a 5-10-5 fertilizer. The plots were on a sandy loam soil of moderate fertility at Ridgely and a fertile clay loam at College Park.

The lowest yield resulted from broadcasting and diskng the fertilizer into the soil. It was tried at Ridgely only. The yield was 26 per cent below that of the drilled application. Drilling the fertilizer on the surface and plowing under in preparation of the land resulted in a 15 per cent increase at Ridgely and a 9 per cent increase at College Park over the drilled application. By applying the fertilizer in a single band in the bottom of the furrow, the yield was increased 32 per cent at Ridgely and 16 per cent at College Park over the drilled application. Application of the fertilizer in two bands five inches from the plants and four inches deep resulted in increases of 33 per cent at Ridgely and 27 per cent at College Park.

In the "plow under" method, increasing the fertilizer from 500 pounds to 1,000 pounds per acre gave increases in yield of 15 per cent at Ridgely and 13 per cent at College Park. Increasing the fertilizer from 1,000 to 1,500 pounds gave increases of 27 per cent at Ridgely and 6 per cent at College Park. Yield increases, due to both rate and method of application, were greater on the light soil at Ridgely than on the heavy, fertile soil at College Park. An increase in the potash from 5 per cent to 10 per cent in the 1,000 pounds per acre "plow under" application at Ridgely gave an increase in yield of 27 per cent.

### Stocks and Holdings of Canned Evaporated and Condensed Milk

Stocks of canned evaporated milk held by wholesale grocers on September 30, were substantially higher than those held on the corresponding date last year, the Bureau of Agricultural Economics reported this week. However, a sharp decline occurred in the stocks of canned condensed milk (sweetened) during the same period. BAE said.

Holdings of canned evaporated milk by 553 firms were reported at 50,359,000 pounds on September 30, compared with 28,431,000 pounds on the same date last year. Stocks of 410,000 pounds of canned condensed milk were held by the same 553 firms on September 30 this year compared with 639,000 pounds on hand for the same date in 1944. Compared with a year earlier, evaporated milk stocks were 77 percent higher and condensed canned milk stocks were 36 percent lower. A total of 573 firms reported stocks on September 30 of 51,213,000 pounds of canned evaporated milk and 416,000 pounds of canned condensed milk.

A sharp seasonal gain was shown in stocks of canned evaporated milk held from June 30 to September 30 this year. Reports from 509 wholesale grocer firms reporting for both dates show a gain of 51 percent from 33,788,000 pounds on June 30 to 50,897,000 pounds on September 30. Only a slight increase occurred in canned condensed milk, the 509 firms reporting a gain of 2 percent from stocks held 3 months earlier.

In terms of days' supply, the stocks of canned evaporated milk as estimated by 500 firms would last 43 days at the current rates of disappearance. This is much higher than the 29 days which firms estimated their stocks would last on the same date a year ago, but compares with 49 days supply on September 30, 1943.

### Plan for Coordinating Florida Citrus Research Is Endorsed

A plan for establishing a liaison committee between the important divisions of the Florida citrus industry on one hand and research agencies on the other was approved in a resolution adopted by the Florida Section of the Citrus Products Research Council at its October 20, meeting. The session was held in conjunction with the fourteenth annual meeting of the Florida Canners Association at Daytona Beach, October 18-20.

Under the proposed plan, committees would be established representing four groups of organizations identified respectively with fruit production, packing and shipping, processing, and by-products. These committees would work through a smaller central committee which would maintain contact with the various agencies carrying on research of interest to the industry, keep them informed of the needs of the industry, and assist in coordinating their efforts, while seeking at the same time to assist the industry in applying research results.

In explanation of the proposal it was shown that research on citrus problems is carried on by a number of agencies, including the Florida Experiment Stations, several bureaus of the U. S. Department of Agriculture, the Florida Citrus Commission, and several other research and regulatory agencies.

### Seed Treatment of Peas

All varieties of peas are susceptible to decay when planted in extremely wet and cold soils, including late varieties, which contrary to a widely prevalent opinion, are just as susceptible as early varieties regardless of whether or not the seed is treated before planting, according to the New York Agricultural Experiment Station at Geneva. Under less severe seed decay conditions, some varieties, such as Thomas Laxton, when treated are only moderately susceptible and others of the Alaska group are fairly resistant, the Station reports.

Field and greenhouse tests conducted at the Station with some 65 varieties and strains indicate as much difference in response to seed treatment between stocks within a variety as there is between varieties and this difference is associated with seed vitality or seedling vigor. The copper compounds tend to be slightly toxic to all varieties under certain soil conditions. Materials such as Spergon, Arasan, Fermate, 2 per cent Ceresan, and Semesan appear to be safe on all varieties.

## DDT Use in Fishing Industry Explained by Wildlife Service

Preliminary findings in an investigation now under way by the United States Fish and Wildlife Service indicate that the use of DDT in certain phases of the fishing industry may have harmful effects. Pending the completion of the studies, officials of the Service have issued a warning against the use of solutions, emulsions, or suspensions of DDT in any of the following situations:

1. Piles of oyster, clam, scallop, and other shells unless it is known that the shells are to be made into lime. Shells which have already been treated with DDT should not be used as clutch or for animal feeds.

2. Fish offal, crab scrap, or other fishing waste which subsequently may be used in the manufacture of animal feeds.

3. Any containers of conveyances used for handling fresh or processed fish.

4. Work benches, packing tables or other places where fish may come into direct contact with a DDT treated surface.

5. Freight cars, trucks, holds of vessels, etc., where the deposition or handling of the fish can not be controlled at all times.

The above warning does not apply to the use of the DDT aerosol bomb which can be used safely and effectively in work rooms, vehicles, etc., providing the release of the insecticide is restricted to 5 seconds per 1,000 cubic feet of space. Amounts in excess of this are wasteful and may precipitate on exposed surfaces.

## WPB Issues Tin Scrap Order

To prevent the accumulation of excessive stocks, the War Production Board on October 23 imposed specific controls on inventories of tin and lead scrap and prepared used tin cans in the hands of scrap dealers. The action was taken by issuing Direction 5 to Priorities Regulation 32 (Inventory Control). There has been no specific inventory control on tin and lead scrap, other than the "practicable minimum working inventory" limitation of PR-32, since revocation of Order M-72 (Tin and Lead Scrap) on August 20, WPB pointed out. The imposing of specific inventory controls on tin and lead scrap is necessary to assure the flow of these scarce materials, WPB said.

The direction provides that a scrap dealer may not accept deliveries of tin and lead scrap unless the quantity of scrap he has on hand is equal to or less than the amount of scrap by weight he

has delivered to others during the preceding 60 days. It also forbids receipt of prepared used tin cans by a broker or dealer if acceptance would give him an inventory of more than 60,000 pounds of such cans.

The direction does not prohibit acceptance of scrap or prepared used tin cans in transit on October 24, 1945, nor does it apply to smelters, manufacturers, detinners or other users. Their inventories are controlled by other WPB regulations such as Order M-38 (Lead), M-43 (Tin) and other sections of PR-32.

## SUPPLEMENT 13 QUESTIONS

(Concluded from page 8815)

unless he is engaged in the business of selling it. However, where a processor was engaged in the business of selling other items of the same product during each intervening year but for some reason did not sell the particular item, we believe he can construct a maximum price under the regulation applicable to each year's pack (since he has a base period price, raw material cost and yield to use) and can now figure his maximum price under Supplement 13.

2. **Question:** Question 5 of the Question and Answer series sent out on September 14 under Supplement 13 (See LETTER of September 15, page 8773) is as follows: Are base period sales at retail to individuals other than growers and employees considered as made in the regular course of the processor's business? Answer is revised to read as follows:

**Answer:** The fact that the sales were made at retail to individuals other than growers or employees is not of itself sufficient to require a finding that sales were not made in the regular course of business. The express requirement of Section 5(a)(1)(1), that "all sales contracts made in the regular course of business during the base period . . ." are to be included, applies to these sales. In other words, the question of whether the sales were made in the regular course of business is left open for individual determination in each particular case. However, as to sales which are specifically excluded under the last sentence of Section 5(a)(1)(1), the question of whether they were made in the regular course of business is irrelevant.

3. **Question:** In figuring the reduction for raw material purchased at average price lower than that reflected in the applicable price range under Section 5(a)(1)(iii), if the processor has paid the designated grade price for each grade and district classification of fruit purchased but because of high percentage of lower grades of fruit received his "weighted average price paid" is lower than the average price estab-

lished by the Department of Agriculture, is he required to make any subtraction under Section 5(a)(1)(iii)?

**Answer:** No. Section 5(a)(1)(iii) requires subtraction to be made when the processor's "weighted average price actually paid" is less than the average of the recommended prices for the particular grades and district classifications, figured by using as weighting factors the quantities purchased by him of each grade and district classification. In the case under consideration, the "weighted average price actually paid" would equal the average of the recommended prices figured by using the appropriate weighting factors, hence no subtraction is required.

4. **Question:** X Canning Company in 1944 paid unskilled female labor 14 cents per bucket (piecework basis) for peeling tomatoes, with a minimum guarantee of 45 cents per hour. In 1945, prior to the beginning of its tomato pack, it made an approved increase in the piecework wage rate for this class of labor to 17 cents per bucket but made no change in the minimum hourly guarantee rate of 45 cents. Is the company entitled to make the adjustment for basic wage rate increased provided in Section 5 of Supplement 13?

**Answer:** Yes. If the weighted average piecework rate for unskilled female labor in 1945 exceeds the weighted average piecework rate in 1944 for this class of labor.

5. **Question:** In figuring a maximum price for an item of peas under Appendix C to Section 15, where conversion for both sieve-size and grade is involved, should the processor use the difference in grade for the sieve-size sold in the base period or for the sieve-size being priced?

**Answer:** Processor is required to use the difference in grade specified in Table 8 for the sieve-size being priced for the reason that the conversion for grade is figured after the conversion for sieve size under Table 7.

## Railroads Seek Heavier Loadings

In order that maximum use of railroad freight cars by means of heavier loading may be continued and encouraged, southern railroads have under consideration the establishment of higher carload minima and rates on domestic shipments of the following commodities moving from, to and within southern classification territory. A public hearing before a Committee of Chief Traffic Officers will be held on the proposal in the offices of the Southern Freight Association, Room 916, at 101 Marietta St., Atlanta, Ga., 10 a. m., Monday, October 29, to afford an opportunity to all interested shippers to express their views.

### Salvaged Canned Foods Eligible to Claim Subsidies, USDA Says

Claims for subsidy payments for damaged canned vegetables covered by the Commodity Credit Corporation's 1945 subsidy agreement will be paid only on eligible sales of such canned foods which have been salvaged and sold either by the original processor or by an insurance company acting as agent for the original processor, the Department of Agriculture has explained in a series of informal communications. The USDA points out, however, that no subsidy payments will be made for canned vegetables which have been totally destroyed by fire or other means, or which have been rendered unfit for human consumption. This same policy was followed in the 1944 subsidy program.

A re-examination of the definition of an "eligible sale" as defined in Section 1 (j) of the 1945 subsidy agreement, will explain the USDA's policy in regard to claims for subsidy payments for damaged or destroyed canned vegetables. The definition of an "eligible sale" states that there must be an actual sale to some purchaser other than a government procurement agency. It specifically provides also that no subsidy shall be paid on the sale of any canned foods unfit for human consumption. Inasmuch as it is not legally possible to make a sale of canned foods physically destroyed, the Department's ruling that no subsidy be paid on totally destroyed canned vegetables appears in conformity with the subsidy contract terms. In view of this policy, canners are, therefore, may wish to review their insurance contracts to ascertain whether additional coverage of their canned food holdings is desirable.

### Tin Can Salvage Controls Lifted

Distribution controls on household tin can salvage have been removed because of the closing of the War Production Board's Salvage Division, that agency announced October 16.

Through an amendment to the Tin-plate Scrap Order M-325, refuse collectors are no longer required to segregate household tin cans from other material. (Formerly, this material was segregated for shipment to tinning plants through the cooperative efforts of 15,000 volunteer committees in conjunction with WPB.) At the same time, WPB revoked Direction 2 to the order. This direction, which defined the operations of refuse collectors in tin can scrap segregation, is, of course, no longer necessary.

Due to the continuing tin shortage, tin salvage measures still are needed, officials of WPB said. WPB has requested the volunteer tin can salvage committees to continue their efforts and thus insure a steady flow of tin can scrap to the detinning plants.

### Nitrogen Nutrition of Peas

A study of the use of pea inoculants in New York State show that the cultures behave differently on different farms and that this result is at least due partially to differences in farming practices, according to the latest report of the New York Agricultural Experiment Station at Geneva. The largest field increases occurred where peas or beans, or other legumes, had not been grown recently.

Where peas or beans had been grown within 4 years, the reverse condition sometimes occurred and the yield on the inoculated strip was actually less than on the uninoculated strips. However, on properly rotated fields there seems to be no problem in the use of pea inoculation. For this reason, the suggestion is made that peas be grown insofar as possible on land that has not grown peas or beans within 4 years, and that the peas either be inoculated or fertilized with nitrogen.

### Notice of Oyster Hearing

The Food and Drug Administration will conduct hearings in Seattle, Wash., on November 17 for West Coast oyster processors in Washington, D. C., on

January 15 for eastern and southern processors on proposals to establish standards of identity for raw, shucked oysters.

### West Coast Canners to Meet to Review N.C.A. Label Study

A series of meeting of canners to review the research work done under the direction of the N. C. A. laboratories this season on color measurements as standards for ripeness of peaches and apricots, will be held in San Francisco beginning October 29.

The research work is the outgrowth of similar meetings held early this past spring to consider the possibilities of labeling apricots, peaches, pears, sweet cherries and purple plums. Not only will the research work on color as a measure of ripeness be reviewed but sample packs which were prepared this season to include all kinds of defects, blemishes, and imperfections, will also be examined.

These projects are all pointed toward making recommendations for the systematic labeling of these products by descriptive words in connection with the basic program of the N. C. A. Labeling Committee.

The results of these meetings will be published and distributed widely for the guidance of canners and distributors who wish to use the recommended form of labeling.

Howard Smith of the Washington Laboratory, and Happer Payne of the Washington N. C. A. staff, will attend the meetings in San Francisco.

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